

**Town Council Finance Sub-committee Meeting Agenda
LARGE CONFERENCE ROOM, SECOND FLOOR
FALMOUTH TOWN HALL
Monday, January 28, 2013 – 5:00 PM**

(This will be a joint meeting with the School Board)

Members Attendance: Karen Farber, Sean Mahoney, and Chris Orestis.

Others Attendance:, Faith Varney (Town Council), Teresa Pierce (Town Council), Anthony Payne (Town Council); Nathan Poore (Town Manager), Robert Boschen (Finance Director), Amy Lamontagne (Assistant Town Manager); Barbara Powers (School Superintendent), Dan O'Shea (School Department); Analiese Larson (School Board), Andrew Kinley (School Board), and Lucy Tucker (School Board).

The meeting began @ 5:08PM

1. Discussion about anticipated changes and challenges in the FY14 budget including potential impact from State budget cuts.

- The school presented their shortfall of approximately \$500K if current State proposals occur. This includes the continuation of the \$235K FY12-13 State funding curtailments into FY13-14.
- The Town presented an operating shortfall of roughly \$230K (approx. 0.10 mills) with another \$1,000,000 if the Governor's budget passes intact. Our internal estimate is a third of the cuts could occur.
- Questions were asked and answered about the Homestead Exemption and its affect on taxpayers whom do and do not receive it.
- The Town Manager spoke of how budget reductions could occur in bundled amounts. Bundle 1 could occur with moderate pain and stress to operations. Bundle 2 would cause a change to the way business is done and would place operational and morale stress on the organization. Bundle 3 would cause deeper issues and at this point is not being considered. After discussion the Finance Committee felt that Bundle 1 and Bundle 2 should be explored, but no full-time personnel should be considered for downsizing. Retirements, part-time and seasonal positions could be considered.

2. Discussion about unfunded capital projects which have been part of conceptual consideration in the past along with emerging and re-emerging projects.

- There was a presentation of the School and Town large unfunded capital projects, what they total to and how there was not enough fund balance to address all the projects under consideration.
- Town Hall needs renovations – could it possibly move to the Plummer Building if the Library does not?
- There was discussion as to borrowing, current interest rates and fees. The consensus was that when the projects and amounts are identified borrowing will occur. This borrowing can be combined with the amount authorized for the Wood Chip Boiler.
- The School projects were reviewed including the recently completed Wood Chip Boiler. The Middle School Heating conversion is felt by the School Board to be a “must do” project for this summer.
- Use of fund balance was addressed. The \$1MM of reserve for fixed assets in the policy could be utilized.
- There was discussion about what to do with the \$2MM remaining from the Plummer-Motz sale. The idea of using it for a Community Center is still desired by some.

3. Other issues/topics.

There were no other issues or topics.

4. Adjourn

The meeting adjourned at 6:55 PM

Respectfully submitted by Robert Boschen